

Small Business Report

In accordance with section 8 of the Export-Import Bank Act of 1945, as amended, Ex-Im Bank is reporting the following information regarding its fiscal year 2004 activities.

Direct Small Business Support

Ex-Im Bank authorized more than \$2.2 billion – nearly 17 percent of total authorizations – in direct support of U.S. small businesses as primary exporters in FY 2004. The Bank approved 2,572 small business transactions that represented nearly 83 percent of the total number of transactions in FY 2004, and 291 small businesses used Ex-Im Bank programs for the first time during the fiscal year. In FY 2004, Ex-Im Bank approved financing in amounts under \$500,000 for 1,234 small business transactions.

Small Business Supplier Data (Indirect Support)

Ex-Im Bank is required to estimate on the basis of an annual survey or tabulation the number of entities that are suppliers of users of the Bank and that are small business concerns.

Ex-Im Bank estimates the value of exports supported that is attributable to small business suppliers at the time of authorization of each long-term transaction (i.e., transactions either of \$10 million or more or with a repayment term in excess of seven years).

Ex-Im Bank estimates that the total value of indirect small business content associated with transactions supported through the Bank's long-term loans and guarantees authorizations during FY 2004 was \$906 million out of a total export value of \$7.9 billion – more than 11 percent of the total export value associated with the Bank's long-term financing.

The following example serves to underscore the extent of indirect small business support that Ex-Im Bank provides through its financing of large, long-term transactions. In addition to the indirect small business support that Ex-Im Bank was

able to identify in relation to its long-term financing in FY 2004, Ex-Im Bank asked a major U.S. exporter of gas turbine power plants and a primary user of the Bank's financing to compile a comprehensive breakdown of all the U.S. companies that it engages in the course of producing its finished gas turbines.

The U.S. exporter provided Ex-Im Bank with a list that identified all of the companies from which the exporter procures the various components and materials that it requires to produce its final products. The Bank reviewed the list and ascertained that of the 167 suppliers identified by the exporter, 71 were small businesses located throughout the United States. These small businesses therefore constituted more than 40 percent of the total number of suppliers participating in the production of the exporter's gas turbines. As this example illustrates, Ex-Im Bank's support for larger U.S. exporters also indirectly benefits many U.S. small businesses.

Technology Improvements

In fiscal year 2004, Ex-Im Bank continued to update its Web site to provide all customers, particularly small businesses, with improved access to information, applications and forms. All of Ex-Im Bank's applications and forms are available through the Web site, www.exim.gov.

In fiscal year 2004, Ex-Im Bank continued to develop its business automation project, "Ex-Im Online", which will enable Ex-Im Bank to process applications for Ex-Im Bank financing more efficiently and effectively. Some forms and processes, including an online letter of interest application and an online claims filing process, can be processed electronically. The next major component will be automating the Bank's short-term multibuyer insurance program, which primarily benefits small business exporters.



The Bank participates in the government-wide "Business Gateway" initiative to integrate the content and functions of the Web sites of Ex-Im Bank, the Small Business Administration, and other agencies into one comprehensive site, www.business.gov. In addition, the Bank participates in the U.S. government export Web site, www.export.gov, which offers information on all of the export-related services of the federal government.

The Bank also participates in the Trade Promotion Coordinating Committee's "One Stop, One Form" registration system, an Internet-based system that will enable small businesses to apply electronically for all government export programs.

Electronic Tracking Systems

Ex-Im Bank tracks loan, guarantee and insurance activity through its Integrated Information System, which is an aggregation of several electronic databases that provides comprehensive information regarding all Bank transactions.

In fiscal year 2004, Ex-Im Bank continued its data quality review to further ensure the accuracy of the information in its electronic databases.

Ex-Im Bank also utilizes a customer management database, focused primarily on small businesses, to assist in the Bank's outreach to small business exporters throughout the United States.

Outreach to Small Businesses

Ex-Im Bank is committed to providing export financing to socially and economically disadvantaged small businesses, including those that are minority-owned and women-owned and small businesses employing fewer than 100 employees. In order to increase its outreach to more customers in these traditionally underserved groups, in fiscal year 2004, the Bank added staff devoted solely to this effort and increased the number of its partnerships with lenders, trade associations and other government agencies.

In fiscal year 2004, Ex-Im Bank reached out to more than 4,000 customers throughout the United States by participating in more than 50 outreach events such as trade shows, conferences, seminars and symposia. Ex-Im Bank staff delivered presentations at several major conference events, including the Small Business Administration's annual conference and the annual conference of the National Association of Women Business Owners. A significant number of the small businesses that attend the seminars and trade shows in which Ex-Im Bank participates employ fewer than 100 employees.

In addition, in the fall of 2004, members of Ex-Im Bank's board of directors and staff served as guest speakers at several women-owned-business seminars that were sponsored by the U.S. Department of Commerce and held in several cities, including Cleveland, Ohio; Philadelphia, Pa.; and Houston, Texas.

Ex-Im Bank's business development officers, including those located in its network of regional offices throughout the country, focus heavily on the new-to-export segment of U.S. small businesses. Ex-Im Bank staff provide customized training for new users of the Bank's products.

Ex-Im Bank sponsors seminars and symposia throughout the country that are targeted to small businesses that traditionally have been underserved in the trade finance market. The symposia consist of half-day training programs to help U.S. companies learn how to use U.S. government resources to find foreign buyers and use trade finance tools. These symposia also feature presentations by other agencies of the Trade Promotion Coordinating Committee, including the U.S. Commercial Service of the Department of Commerce, the Small Business Administration and the Overseas Private Investment Corporation.